

Bennelong Australian Equities Fund
ARSN 134 995 887

Bennelong Concentrated Australian Equities Fund
ARSN 134 995 921

Bennelong Emerging Companies Fund
ARSN 618 113 456

Bennelong ex-20 Australian Equities Fund
ARSN 137 843 826

Bennelong Twenty20 Australian Equities Fund
ARSN 608 998 223

Condensed Financial Report
for the half-year ended 31 December 2021



Bennelong Australian Equities Fund (ARSN 134 995 887)

Bennelong Concentrated Australian Equities Fund (ARSN 134 995 921)

Bennelong Emerging Companies Fund (ARSN 618 113 456)

Bennelong ex-20 Australian Equities Fund (ARSN 137 843 826)

Bennelong Twenty20 Australian Equities Fund (ARSN 608 998 223)

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Directors' report

The directors of Bennelong Funds Management Ltd (ABN 39 111 214 085), the Responsible Entity of the following managed investment schemes (the "Funds") present their report together with the condensed financial reports of the Funds for the half-year ended 31 December 2021.

Fund name	Referred to in this document as	ARSN
Bennelong Australian Equities Fund	Australian Equities Fund	134 995 887
Bennelong Concentrated Australian Equities Fund	Concentrated Australian Equities Fund	134 995 921
Bennelong Emerging Companies Fund	Emerging Companies Fund	618 113 456
Bennelong ex-20 Australian Equities Fund	ex-20 Australian Equities Fund	137 843 826
Bennelong Twenty20 Australian Equities Fund	Twenty20 Australian Equities Fund	608 998 223

Principal activities

The Funds invest in Australian authorised investments in accordance with the Product Disclosure Statements ("PDSs") and the provisions of the Funds' Constitutions.

The Funds did not have any employees during the half-year.

There were no significant changes in the nature of the Funds' activities during the half-year.

The various service providers to the Funds are detailed below:

Service	Provider
Responsible Entity	Bennelong Funds Management Ltd
Investment Manager	Bennelong Australian Equity Partners Pty Ltd
Administrator and Custodian	Citigroup Pty Limited
Statutory Auditor	Deloitte Touche Tohmatsu

Directors

The following persons held office as directors of Bennelong Funds Management Ltd during the half-year or since the end of the half-year and up to the date of this report:

Michael Dwyer	Chairman
Craig Bingham	
Vicki Allen	
Lincoln McMahon	
Stephen Rix	
Adam Tindall	(Appointed 1 October 2021)
Andrea Waters	

Review and results of operations

During the half-year, the Funds invested monies in accordance with the investment policies set out in the Funds' PDSs and in accordance with the provisions of the Funds' Constitutions.

Directors' report (continued)

Results

The performance of the Funds, as represented by the results of their operations, were as follows

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Half-year ended		Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Operating profit attributable to unitholders	83,020	153,981	151,681	210,508	10,189	10,328
Distributions payable for the half-year:						
Interim distribution	3,910	4,321	3,466	–	–	116
Interim distribution - cents per unit (CPU)	1.0789	1.7767	0.5260	–	–	0.4389

Operating profit attributable to unitholders
Distributions payable for the half-year:
Interim distribution
Interim distribution - cents per unit (CPU)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Operating profit attributable to unitholders	366,676	634,498	676	2,152
Distributions payable for the half-year:				
Interim distribution	–	825	131	99
Interim distribution - cents per unit (CPU)	–	0.0745	0.5397	1.4710

Significant changes in state of affairs

In the opinion of the directors, there were no significant changes in the state of affairs of the Funds that occurred during the half-year ended 31 December 2021.

Matters subsequent to the end of the financial half-year

At the time of signing these financial statements, there is an increased level of global uncertainty associated with the conflict in Ukraine. The long-term impacts of the Ukraine conflict are not yet known but are likely to result in increased market and economic volatility. Notwithstanding this, the Funds' unit price, which is based on the valuation of its assets and liabilities, has experienced an increase in volatility in the period subsequent to half-year end.

Directors' report (continued)

Matters subsequent to the end of the financial half-year (continued)

There has been no other matter or circumstance since 31 December 2021 that has significantly affected, or may significantly affect:

- (i) the operations of the Funds in future financial periods; or
- (ii) the results of those operations in future financial periods; or
- (iii) the state of affairs of the Funds in future financial periods.

Likely developments and expected results of operations

The Funds will continue to be managed in accordance with the investment objectives and guidelines as set out in the governing documents of the Funds and in accordance with the provisions of the Funds' Constitutions.

The results of the Funds' operations will be affected by a number of factors, including the performance of investment markets in which the Funds invest. Investment performance is not guaranteed and future returns may differ from past returns. As investment conditions change over time, past returns should not be used to predict future returns.

Further information on likely developments in the operations of the Funds and the expected results of those operations have not been included in this report because the Responsible Entity believes it would be likely to result in unreasonable prejudice to the Funds.

Indemnification and insurance of officers

No insurance premiums are paid for out of the assets of the Funds in regards to insurance cover provided to the officers of the Responsible Entity. So long as the officers of the Responsible Entity act in accordance with the Funds' Constitutions and the law, the officers remain fully indemnified out of the assets of the Funds against losses incurred while acting on behalf of the Funds.

Indemnity of auditor

The auditor of the Funds are in no way indemnified out of the assets of the Funds.

Directors' report (continued)

Deferred Fund Expenses

Under the terms of the Funds' Constitutions, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Funds. The Funds' PDSs outline in Section 6 that the Responsible Entity caps this amount at 0.05% per annum of the Net Asset Value (NAV) of the Funds.

As at 31 December 2021, the Responsible Entity has incurred reimbursable expenses in excess of the amount charged to the Funds as below:

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund		ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Half-year ended		Half-year ended		Half-year ended		Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Reimbursable expenses	-	153,165	-	625,855	293,636	275,762	-	-	526,143	480,375

Environmental regulation

The operations of the Funds are not subject to any particular or significant environmental regulations under a Commonwealth, State or Territory law.

COVID-19 Pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior periods saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Funds' investment portfolios.

The Responsible Entity and the Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' offer documents, applying valuation policies reflective of the prevailing market conditions.

Rounding of amounts to the nearest thousand dollars

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* and in accordance with that instrument, amounts in the financial reports and directors' report have been rounded off to the nearest thousand dollar, unless otherwise stated.

Single set of financial reports

The Funds are entities of the kind referred to by *ASIC Corporations (Related Scheme Reports) Instrument 2015/839* and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

Directors' report (continued)

Auditor's independence declaration

A copy of the Auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out on page 7.

This report is made in accordance with a resolution of the directors of Bennelong Funds Management Ltd.

A handwritten signature in black ink, appearing to read 'C Bingham', with a long horizontal stroke extending to the right.

Craig Bingham
Director

Melbourne
10 March 2022

10 March 2022

The Board of Directors
Bennelong Funds Management Ltd –
as Responsible Entity for BAEP Funds
Ground Level, 9 Queen Street
MELBOURNE VIC 3000

Dear Directors

Bennelong Australian Equities Fund, Bennelong Concentrated Australian Equities Fund, Bennelong Emerging Companies Fund, Bennelong ex-20 Australian Equities Fund and Bennelong Twenty20 Australian Equities Fund (collectively “BAEP Funds”)

In accordance with section 307C of the *Corporations Act 2001*, I am pleased to provide the following declaration of independence to the directors of Bennelong Funds Management Ltd, as Responsible Entity for the BAEP Funds.

As lead audit partner for the review of the financial statements of the BAEP Funds for the half-year ended 31 December 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the review; and
- (ii) any applicable code of professional conduct in relation to the review.

Yours sincerely



DELOITTE TOUCHE TOHMATSU



Adam Kuziow
Partner
Chartered Accountants

Condensed statements of profit or loss and other comprehensive income
For the half-year ended 31 December 2021

Condensed statements of profit and loss and other comprehensive Income

	Notes	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
		Half-year ended		Half-year ended		Half-year ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Investment Income							
Dividend/distribution income		6,985	5,073	12,890	8,138	586	242
Net gains on financial instruments at fair value through profit or loss	3	81,507	152,124	172,015	220,074	13,818	11,715
Other operating income		–	21	–	49	–	–
Total net investment income		88,492	157,218	184,905	228,261	14,404	11,957
Expenses							
Management fees		5,198	3,075	8,283	4,644	622	236
Performance fees		–	–	24,454	12,836	3,566	1,383
Other operating expenses		274	162	487	273	27	10
Total operating expenses		5,472	3,237	33,224	17,753	4,215	1,629
Operating profit for the half-year		83,020	153,981	151,681	210,508	10,189	10,328
Profit for the half-year		83,020	153,981	151,681	210,508	10,189	10,328
Other comprehensive income		–	–	–	–	–	–
Total comprehensive income for the half-year		83,020	153,981	151,681	210,508	10,189	10,328

The above condensed statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying condensed notes to the financial reports.

Condensed statements of profit or loss and other comprehensive income
For the half-year ended 31 December 2021
(continued)

Condensed statements of profit and loss and other comprehensive Income (continued)

	Notes	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		Half-year ended		Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Investment Income					
Dividend/distribution income		25,108	23,228	398	140
Net gains on financial instruments at fair value through profit or loss	3	404,130	671,480	519	2,173
Other operating income		1	453	–	–
Total net investment income		429,239	695,161	917	2,313
Expenses					
Management fees		20,770	12,921	53	21
Performance fees		41,137	47,335	181	137
Other operating expenses		656	407	7	3
Total operating expenses		62,563	60,663	241	161
Operating profit for the half-year		366,676	634,498	676	2,152
Profit for the half-year		366,676	634,498	676	2,152
Other comprehensive income		–	–	–	–
Total comprehensive income for the half-year		366,676	634,498	676	2,152

The above condensed statements of profit or loss and other comprehensive income should be read in conjunction with the accompanying condensed notes to the financial reports.

Condensed statements of financial position

	Concentrated Australian Equities					
	Australian Equities Fund		Fund		Emerging Companies Fund	
	As at		As at		As at	
	31 December 2021	30 June 2021	31 December 2021	30 June 2021	31 December 2021	30 June 2021
Notes	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Assets						
Cash and cash equivalents	6,152	24,875	20,942	62,643	9,078	2,512
Receivables	1,910	1,976	2,714	1,573	220	127
Due from brokers - receivable for securities sold	-	5,238	-	7,718	-	-
Financial assets at fair value through profit or loss	1,191,855	918,930	2,072,677	1,666,088	113,036	81,997
Total assets	1,199,917	951,019	2,096,333	1,738,022	122,334	84,636
Liabilities						
Distributions payable	3,069	32,233	2,914	61,869	-	1,636
Due to brokers - payable for securities purchased	-	-	-	4,802	-	-
Payables	3,132	1,728	10,416	2,470	1,177	766
Total liabilities	6,201	33,961	13,330	69,141	1,177	2,402
Net assets attributable to unitholders - equity	1,193,716	917,058	2,083,003	1,668,881	121,157	82,234

The above condensed statements of financial position should be read in conjunction with the accompanying condensed notes to the financial reports.

**Condensed statements of financial position
As at 31 December 2021
(continued)**

Condensed statements of financial position (continued)

	Notes	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		As at		As at	
		31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Assets					
Cash and cash equivalents		46,675	357,585	1,213	333
Receivables		4,130	7,712	220	98
Financial assets at fair value through profit or loss	6	4,548,880	3,625,450	42,378	14,704
Total assets		4,599,685	3,990,747	43,811	15,135
Liabilities					
Distributions payable		–	162,294	124	576
Due to brokers - payable for securities purchased		–	5,330	–	–
Payables		10,740	10,856	113	62
Total liabilities		10,740	178,480	237	638
Net assets attributable to unitholders - equity	5	4,588,945	3,812,267	43,574	14,497

The above condensed statements of financial position should be read in conjunction with the accompanying condensed notes to the financial reports.

Condensed statements of changes in equity
For the half-year ended 31 December 2021

Condensed statements of changes in equity

		Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
		Half-year ended		Half-year ended		Half-year ended	
		31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
		\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Notes							
	Total equity at the beginning of the half-year	917,058	543,109	1,668,881	848,637	82,234	25,049
	Comprehensive income for the half-year						
	Profit/(loss) for the half-year	83,020	153,981	151,681	210,508	10,189	10,328
	Other comprehensive income	-	-	-	-	-	-
	Total comprehensive income for the half-year	83,020	153,981	151,681	210,508	10,189	10,328
	Transactions with unitholders						
	Applications	260,403	175,461	348,273	318,258	33,408	21,413
	Redemptions	(63,696)	(200,007)	(82,927)	(72,313)	(4,674)	(2,378)
	Units issued upon reinvestment of distributions	841	1,176	561	-	-	38
	Distributions paid and payable	(3,910)	(4,321)	(3,466)	-	-	(116)
	Total transactions with unitholders	193,638	(27,691)	262,441	245,945	28,734	18,957
	Total equity at the end of the half-year	1,193,716	669,399	2,083,003	1,305,090	121,157	54,334

The above condensed statements of changes in equity should be read in conjunction with the accompanying condensed notes to the financial reports.

**Condensed statements of changes in equity
For the half-year ended 31 December 2021
(continued)**

Condensed statements of changes in equity (continued)

	Notes	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
		Half-year ended		Half-year ended	
		31 December 2021 \$'000	31 December 2020 \$'000	31 December 2021 \$'000	31 December 2020 \$'000
Total equity at the beginning of the half-year		3,812,267	2,268,510	14,497	13,807
Comprehensive income for the half-year					
Profit/(loss) for the half-year		366,676	634,498	676	2,152
Other comprehensive income		–	–	–	–
Total comprehensive income for the half-year		366,676	634,498	676	2,152
Transactions with unitholders					
Applications	5	668,086	504,117	30,623	2,837
Redemptions	5	(258,084)	(282,017)	(2,098)	(8,392)
Units issued upon reinvestment of distributions	5	–	123	7	10
Distributions paid and payable	5	–	(825)	(131)	(99)
Total transactions with unitholders		410,002	221,398	28,401	(5,644)
Total equity at the end of the half-year		4,588,945	3,124,406	43,574	10,315

The above condensed statements of changes in equity should be read in conjunction with the accompanying condensed notes to the financial reports.

Condensed statements of cash flows
For the half-year ended 31 December 2021

Condensed statements of cash flows

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Half-year ended		Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities						
Proceeds from sale of financial instruments at fair value through profit or loss	141,402	356,935	392,414	355,024	25,648	19,599
Purchase of financial instruments at fair value through profit or loss	(327,583)	(305,025)	(624,071)	(564,865)	(42,869)	(33,663)
Dividends/distributions received	7,313	5,947	13,715	9,645	586	263
Other operating income (paid)/received	–	(17)	–	(724)	–	(11)
GST paid	(90)	–	(153)	–	(115)	–
Management fees paid	(4,964)	(3,030)	(7,990)	(1,044)	(583)	(209)
Performance fees paid	–	–	(17,339)	(12,836)	(3,224)	(1,382)
Other operating expenses (paid)/received	–	(146)	–	(229)	–	1,251
Net cash inflow/(outflow) from operating activities	(183,922)	54,664	(243,424)	(215,029)	(20,557)	(14,152)
Cash flows from financing activities						
Proceeds from applications by unitholders	260,233	176,413	346,459	321,700	33,429	21,316
Payments for redemptions by unitholders	(62,800)	(201,907)	(82,876)	(77,790)	(4,670)	(2,437)
Distributions paid	(32,234)	(22,957)	(61,860)	(22,727)	(1,636)	(67)
Net cash inflow/(outflow) from financing activities	165,199	(48,451)	201,723	221,183	27,123	18,812
Net increase/(decrease) in cash and cash equivalents	(18,723)	6,213	(41,701)	6,154	6,566	4,660
Cash and cash equivalents at the beginning of the half-year	24,875	6,334	62,643	6,498	2,512	187
Cash and cash equivalents at the end of the half-year	6,152	12,547	20,942	12,652	9,078	4,847
Non-cash financing and operating activities	841	1,176	561	–	–	38

The above condensed statements of cash flows should be read in conjunction with the accompanying condensed notes to the financial reports.

Condensed statements of cash flows
For the half-year ended 31 December 2021
(continued)

Condensed statements of cash flows (continued)

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Half-year ended		Half-year ended	
	31 December	31 December	31 December	31 December
	2021	2020	2021	2020
	\$'000	\$'000	\$'000	\$'000
Cash flows from operating activities				
Proceeds from sale of financial instruments at fair value through profit or loss	212,773	866,613	1,543	11,241
Purchase of financial instruments at fair value through profit or loss	(737,403)	(842,198)	(28,698)	(5,503)
Dividends/distributions received	27,301	28,227	423	165
Other operating income (paid)/received	1	(3,324)	-	-
GST received/(paid)	(282)	-	(3)	3
Management fees paid	(20,100)	(12,887)	(44)	(24)
Performance fees paid	(38,130)	(47,334)	(95)	(207)
Other operating expenses paid	-	13,247	-	(4)
Net cash inflow/(outflow) from operating activities	(555,840)	2,344	(26,874)	5,671
Cash flows from financing activities				
Proceeds from applications by unitholders	669,757	534,716	30,479	2,836
Payments for redemptions by unitholders	(262,533)	(314,710)	(2,149)	(8,308)
Distributions paid	(162,294)	(182,535)	(576)	(65)
Net cash inflow/(outflow) from financing activities	244,930	37,471	27,754	(5,537)
Net increase/(decrease) in cash and cash equivalents	(310,910)	39,815	880	134
Cash and cash equivalents at the beginning of the half-year	357,585	13,347	333	30
Cash and cash equivalents at the end of the half-year	46,675	53,162	1,213	164
Non-cash financing and operating activities	-	123	7	(10)

The above condensed statements of cash flows should be read in conjunction with the accompanying condensed notes to the financial reports.

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1 General information

These interim financial reports cover the following managed investment schemes (the "Funds"). The Funds are registered managed investment schemes under the *Corporations Act 2001*. The Funds may be terminated in accordance with the provisions of the Funds' Constitutions. The Funds are domiciled in Australia.

Fund name	Referred to in this document as	Date commenced operations
Bennelong Australian Equities Fund	Australian Equities Fund	30 January 2009
Bennelong Concentrated Australian Equities Fund	Concentrated Australian Equities Fund	30 January 2009
Bennelong Emerging Companies Fund	Emerging Companies Fund	1 November 2017
Bennelong ex-20 Australian Equities Fund	ex-20 Australian Equities Fund	2 November 2009
Bennelong Twenty20 Australian Equities Fund	Twenty20 Australian Equities Fund	25 November 2015

The Responsible Entity of the Funds is Bennelong Funds Management Ltd (ABN 39 111 214 085) (AFSL 296806) (the "Responsible Entity"). The Responsible Entity's registered office is Bennelong House, Level 1, 9 Queen Street, Melbourne, VIC 3000. The financial reports are presented in the Australian currency.

The Investment Manager of the Funds is Bennelong Australian Equity Partners Pty Ltd.

The principal activity of each Fund during the half-year was the investment of unitholders' funds as per the objectives stated in the Funds' Product Disclosure Statement ("PDS") and in accordance with the provisions in the Funds' Constitutions. There has been no significant change in the nature of these activities during the half-year.

Covid-19 Pandemic

In March 2020, the COVID-19 outbreak was declared a pandemic by the World Health Organisation. The outbreak and the response of Governments in dealing with the pandemic has continued to evolve over the course of time. The prior periods saw an increase in financial market volatility and corresponding fluctuations in the fair value of the Funds' investment portfolios.

The Responsible Entity and the Investment Manager are monitoring the situation closely, noting that with the ongoing developments, there is still a degree of uncertainty; therefore it is not possible at this time to predict the extent and nature of the overall impact on the Funds. The Investment Manager however, actively manages the financial risks that the Funds are exposed to, and the Net Asset Values of the Funds continue to be valued in accordance with the frequency set out in the Funds' offer documents, applying valuation policies reflective of the prevailing market conditions.

The financial reports of the Funds were authorised for issue by the directors on 10 March 2022.

2 Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial reports are set out below. These policies have been consistently applied, unless otherwise stated in the following text.

(a) Basis of preparation

The half-year financial reports are general purpose financial reports prepared in accordance with the *Corporations Act 2001* and AASB 134 *Interim Financial Reporting*. Compliance with AASB 134 ensures compliance with International Financial Reporting Standard IAS 34 *Interim Financial Reporting*. The half-year reports do not include notes of the type normally included in the annual financial reports and should be read in conjunction with the most recent annual financial reports, as well as all public information on the Funds.

The condensed financial reports have been prepared on the basis of historical cost, except for the revaluation of financial instruments. Cost is based on the fair values of the consideration given in exchange for assets. All amounts are presented in Australian dollars, unless otherwise noted.

The accounting policies and methods of computation adopted in the preparation of the half-year financial reports are consistent with those adopted and disclosed in the Funds' annual financial reports for the year ended 30 June 2021. These accounting policies are consistent with Australian Accounting Standards and with International Financial Reporting Standards.

There are no standards that are not yet effective and that are expected to have a material impact on the Funds in the current or future reporting periods and on foreseeable future transactions.

(b) Rounding of amounts

The Funds are entities of the kind referred to in *ASIC Corporations (Rounding in Financial/Directors' Reports) Instrument 2016/191* relating to the "rounding off" of amounts in the financial reports. Amounts in the financial reports have been rounded off to the nearest thousand Australian dollar (AUD) in accordance with that Instrument, unless otherwise indicated.

(c) Single set of financial reports

The Funds are entities of the kind referred to by ASIC Corporations (Related Scheme Reports) Instrument 2015/839 and in accordance with that Instrument, Funds with a common Responsible Entity (or related Responsible Entities) can include their financial reports in adjacent columns in a single set of financial reports.

3 Net gains/(losses) on financial instruments at fair value through profit or loss

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Half-year ended		Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial instruments						
Net realised gains/(losses) on financial instruments at fair value through profit or loss	26,674	15,076	86,687	10,978	(393)	2,755
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	54,833	137,048	85,328	209,096	14,211	8,960
Total net gains/(losses) on financial instruments at fair value through profit or loss	81,507	152,124	172,015	220,074	13,818	11,715

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$'000	\$'000	\$'000	\$'000
Financial instruments				
Net realised gains/(losses) on financial instruments at fair value through profit or loss	48,867	110,491	146	912
Net unrealised gains/(losses) on financial instruments at fair value through profit or loss	355,263	560,989	373	1,261
Total net gains/(losses) on financial instruments at fair value through profit or loss	404,130	671,480	519	2,173

4 Fair value measurements

(a) Fair value estimation

The carrying amounts of the Funds' assets and liabilities at the end of each reporting period approximate their fair values.

Financial assets and liabilities at fair value through profit or loss are measured initially at fair value including any transaction costs that are attributable to the acquisition or issue of the financial asset or financial liability. Subsequent to initial recognition, all instruments at fair value through profit or loss are measured at fair value with changes in their fair value recognised in the condensed statements of profit or loss and other comprehensive income.

(i) Fair value in an active market (Level 1)

The fair value of financial assets and liabilities traded in active markets is based on their quoted market prices at the end of the reporting period without any deduction for estimated future selling costs.

For the majority of its investments, the Funds rely on information provided by independent pricing services for the valuation of its investments.

The quoted market price used for financial assets held by the Funds is the last traded price; the appropriate quoted market price for financial liabilities is the last traded price. When the Funds hold derivatives with offsetting market risks, they use last traded prices as a basis for establishing fair values for the offsetting risk positions and apply this last traded price to the net open position, as appropriate.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service, or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis.

(ii) Fair value in an inactive or unquoted market (Level 2 and Level 3)

The fair value of financial assets and liabilities that are not traded in an active market is determined using valuation techniques. These include the use of recent arm's length market transactions, reference to the current fair value of a substantially similar other instrument, discounted cash flow techniques, option pricing models or any other valuation technique that provides a reliable estimate of prices obtained in actual market transactions.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate used is a market rate at the end of the reporting period applicable for an instrument with similar terms and conditions.

4 Fair value measurements (continued)

(b) Fair value hierarchy

AASB 13 requires the Funds to classify fair value measurements using a fair value hierarchy that reflects the subjectivity of the inputs used in making these measurements. The fair value hierarchy has the following levels:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (level 1).
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (that is, as prices) or indirectly (that is, derived from prices) (level 2).
- Inputs for the asset or liability that are not based on observable market data (that is, unobservable inputs) (level 3).

The level in the fair value hierarchy within which the fair value measurement is categorised in its entirety is determined on the basis of the lowest level input that is significant to the fair value measurement in its entirety.

For this purpose, the significance of an input is assessed against the fair value measurement in its entirety. If a fair value measurement uses observable inputs that require significant adjustment based on unobservable inputs, that measurement is a level 3 measurement. Assessing the significance of a particular input to the fair value measurement in its entirety requires judgement, considering factors specific to the asset or liability.

The determination of what constitutes 'observable' requires significant judgement by the Responsible Entity. The Responsible Entity considers observable data to be that market data that is readily available, regularly distributed or updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market.

4 Fair value measurements (continued)

(b) Fair value hierarchy (continued)

The tables below set out the Funds' financial assets and liabilities (by class) measured at fair value according to the fair value hierarchy as at 31 December 2021 and 30 June 2021.

Australian Equities Fund	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2021	31 December 2021	31 December 2021	31 December 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	1,191,855	–	–	1,191,855	918,930	–	–	918,930
Total	1,191,855	–	–	1,191,855	918,930	–	–	918,930

Concentrated Australian Equities Fund	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2021	31 December 2021	31 December 2021	31 December 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	2,072,677	–	–	2,072,677	1,666,088	–	–	1,666,088
Total	2,072,677	–	–	2,072,677	1,666,088	–	–	1,666,088

Emerging Companies Fund	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December 2021	31 December 2021	31 December 2021	31 December 2021	30 June 2021	30 June 2021	30 June 2021	30 June 2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	113,036	–	–	113,036	80,131	1,866	–	81,997
Total	113,036	–	–	113,036	80,131	1,866	–	81,997

4 Fair value measurements (continued)

(b) Fair value hierarchy (continued)

ex-20 Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	4,548,880	–	–	4,548,880	3,625,450	–	–	3,625,450
Total	4,548,880	–	–	4,548,880	3,625,450	–	–	3,625,450

Twenty20 Australian Equities Fund

	Level 1	Level 2	Level 3	Total	Level 1	Level 2	Level 3	Total
	31 December	31 December	31 December	31 December	30 June	30 June	30 June	30 June
	2021	2021	2021	2021	2021	2021	2021	2021
	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000	\$'000
Financial assets								
Financial assets at fair value through profit or loss:								
Listed equity securities	42,378	–	–	42,378	14,704	–	–	14,704
Total	42,378	–	–	42,378	14,704	–	–	14,704

5 Net assets attributable to unitholders

Under AASB 132 *Financial Instruments: Presentation*, puttable financial instruments meet the definition of a financial liability to be classified as equity where certain strict criteria are met. The Funds classify a financial instrument as an equity instrument from the date when the instrument has all the features and meets the conditions. The Funds' puttable instruments meet the definition to be classified as equity.

The movement in the number of units and net assets attributable to unitholders during the half-year was as follows.

	Australian Equities Fund				Concentrated Australian Equities Fund			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Units'000	Units'000	\$'000	\$'000	Units'000	Units'000	\$'000	\$'000
Balance as at 1 July	302,411	251,429	917,058	543,109	574,303	401,593	1,668,881	848,637
Applications	79,525	67,981	260,403	175,461	111,347	130,863	348,273	318,258
Redemptions	(19,522)	(76,187)	(63,696)	(200,007)	(26,629)	(29,996)	(82,927)	(72,313)
Units issued upon reinvestment of distributions	256	428	841	1,176	178	–	561	–
Distribution paid and payable	–	–	(3,910)	(4,321)	–	–	(3,466)	–
Profit/(loss) for the half-year	–	–	83,020	153,981	–	–	151,681	210,508
Closing balance as at 31 December	362,670	243,651	1,193,716	669,399	659,199	502,460	2,083,003	1,305,090

	Emerging Companies Fund				ex-20 Australian Equities Fund			
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	Units'000	Units'000	\$'000	\$'000	Units'000	Units'000	\$'000	\$'000
Balance as at 1 July	36,527	16,297	82,234	25,049	1,224,177	1,025,578	3,812,267	2,268,510
Applications	15,289	11,623	33,408	21,413	199,966	193,611	668,086	504,117
Redemptions	(3,771)	(1,356)	(4,674)	(2,378)	(77,652)	(111,088)	(258,084)	(282,017)
Units issued upon reinvestment of distributions	–	19	–	38	–	44	–	123
Distribution paid and payable	–	–	–	(116)	–	–	–	(825)
Profit/(loss) for the half-year	–	–	10,189	10,328	–	–	366,676	634,498
Closing balance as at 31 December	48,045	26,583	121,157	54,334	1,346,491	1,108,145	4,588,945	3,124,406

5 Net assets attributable to unitholders (continued)

	Twenty20 Australian Equities Fund			
	31 December 2021 Units'000	31 December 2020 Units'000	31 December 2021 \$'000	31 December 2020 \$'000
Balance as at 1 July	8,456	10,853	14,497	13,807
Applications	17,009	1,978	30,623	2,837
Redemptions	(1,177)	(6,092)	(2,098)	(8,392)
Units issued upon reinvestment of distributions	4	7	7	10
Distribution paid and payable	-	-	(131)	(99)
Profit/(loss) for the half-year	-	-	676	2,152
Closing balance as at 31 December	24,292	6,746	43,574	10,315

Capital risk management

The Funds consider their net assets attributable to unitholders as capital. Net assets attributable to unitholders can change significantly on a daily basis as the Funds are subject to daily applications and redemptions at the discretion of unitholders.

Applications and redemptions are reviewed relative to the liquidity of the Funds' underlying assets on a daily basis by the Investment Manager. Under the terms of the Funds' Constitutions, the Responsible Entity has the discretion to reject an application for units and to defer or adjust a redemption of units if the exercise of such discretion is in the best interests of unitholders.

6 Financial assets at fair value through profit or loss

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	As at		As at		As at	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Financial assets at fair value through profit or loss						
Listed equity securities	1,191,855	918,930	2,072,677	1,666,088	113,036	81,997
Total financial assets at fair value through profit or loss	1,191,855	918,930	2,072,677	1,666,088	113,036	81,997

	ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
	As at		As at	
	31 December 2021 \$'000	30 June 2021 \$'000	31 December 2021 \$'000	30 June 2021 \$'000
Financial assets at fair value through profit or loss				
Listed equity securities	4,548,880	3,625,450	42,378	14,704
Total financial assets at fair value through profit or loss	4,548,880	3,625,450	42,378	14,704

7 Events occurring after the reporting period

At the time of signing these financial statements, there is an increased level of global uncertainty associated with the conflict in Ukraine. The long-term impacts of the Ukraine conflict are not yet known but are likely to result in increased market and economic volatility. Notwithstanding this, the Funds' unit price, which is based on the valuation of its assets and liabilities, has experienced an increase in volatility in the period subsequent to half-year end.

No other significant events have occurred since the reporting period which would impact on the financial positions of the Funds disclosed in the condensed statements of financial position as at 31 December 2021 or on the results and cash flows of the Funds for the half-year ended on that date.

8 Contingent assets and liabilities and commitments

In accordance with the Funds' Constitutions, the Responsible Entity is entitled to be reimbursed for all operating and administration expenses that have been incurred on behalf of the Funds. The Funds' PDSs outline in Section 6 that the Responsible Entity caps this amount at 0.05% per annum of the Net Asset Value (NAV) of the Funds.

As at 31 December 2021, the Responsible Entity has incurred the following reimbursable expenses in excess of the amount charged to the Funds:

Funds	Half-year ended	
	31 December 2021	31 December 2020
	\$	\$
Australian Equities Fund	–	153,165
Concentrated Australian Equities Fund	–	625,855
Emerging Companies Fund	293,636	275,762
ex-20 Australian Equities Fund	–	–
Twenty20 Australian Equities Fund	526,143	480,375

The following table reflects the movements in deferred funds expenses for the half-year:

	Australian Equities Fund		Concentrated Australian Equities Fund		Emerging Companies Fund	
	Half-year ended		Half-year ended		Half-year ended	
	31 December 2021	31 December 2020	31 December 2021	31 December 2020	31 December 2021	31 December 2020
	\$	\$	\$	\$	\$	\$
Opening balance as at 1 July	6,160	172,696	327,925	687,640	287,120	211,280
New expenses for which payment has been deferred	163,703	117,603	253,672	154,800	38,388	70,997
Deferred expenses reimbursed/reimbursable for the half-year	(169,863)	(137,134)	(581,597)	(216,585)	(31,872)	(6,515)
Closing balance	–	153,165	–	625,855	293,636	275,762

8 Contingent assets and liabilities and commitments (continued)

ex-20 Australian Equities Fund		Twenty20 Australian Equities Fund	
Half-year ended		Half-year ended	
31 December 2021	31 December 2020	31 December 2021	31 December 2020
\$	\$	\$	\$
Opening balance as at 1 July	-	498,453	413,632
New expenses for which payment has been deferred	287,400	35,507	69,934
Deferred expenses reimbursed/reimbursable for the half-year	(287,400)	(7,817)	(3,191)
Closing balance	-	526,143	480,375

Opening balance as at 1 July
New expenses for which payment has been deferred
Deferred expenses reimbursed/reimbursable for the half-year
Closing balance

There were no other contingencies for the Funds at the reporting date.

Directors' declaration

The directors of the Responsible Entity declare in respect of the following Funds:

Bennelong Australian Equities Fund
Bennelong Concentrated Australian Equities Fund
Bennelong Emerging Companies Fund
Bennelong ex-20 Australian Equities Fund
Bennelong Twenty20 Australian Equities Fund

- (a) in the directors' opinion, there are reasonable grounds to believe that the Funds will be able to pay their debts as and when they become due and payable;
- (b) in the directors' opinion, the attached financial reports are in compliance with Australian Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board interpretations and International Financial Reporting Standards as stated in Note 2 to the financial reports;
- (c) in the directors' opinion, the attached financial reports and notes thereto are in accordance with the *Corporations Act 2001*, including compliance with accounting standards and giving a true and fair view of the financial position and performance of the Funds.

Signed in accordance with a resolution of the directors of the Responsible Entity made pursuant to s.303(5) of the *Corporations Act 2001*.

A handwritten signature in black ink, appearing to read 'Craig Bingham', with a stylized flourish at the end.

Craig Bingham
Director

Melbourne

10 March 2022

Independent Auditor's Review Report to the Unitholders of BAEP Funds

Conclusion

We have reviewed the half-year financial reports of Bennelong Australian Equities Fund, Bennelong Concentrated Australian Equities Fund, Bennelong Emerging Companies Fund, Bennelong ex-20 Australian Equities Fund and Bennelong Twenty20 Australian Equities Fund (collectively "BAEP Funds" or the "Funds") which comprises the condensed statement of financial position as at 31 December 2021, the condensed statement of profit or loss and other comprehensive income, the condensed statement of cash flows and the condensed statement of changes in equity for the half-year ended on that date, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration as set out on pages 8 to 29.

Based on our review, which is not an audit, we have not become aware of any matter that makes us believe that the half-year financial reports of the Funds are not in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the Funds' financial position as at 31 December 2021 and of their performance for the half-year ended on that date; and
- b) complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

Basis for Conclusion

We conducted our review in accordance with ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity*. Our responsibilities are further described in the *Auditor's Responsibilities for the Review of the Half-year Financial Reports* section of our report. We are independent of the BAEP Funds in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the annual financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Bennelong Funds Management Ltd (the "Responsible Entity"), would be in the same terms if given to the directors as at the time of this auditor's review report.

Directors' Responsibilities for the Half-year Financial Reports

The directors of the Responsible Entity are responsible for the preparation of the half-year financial reports that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the half-year financial reports that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Review of the Half-year Financial Reports

Our responsibility is to express a conclusion on the half-year financial reports based on our review. ASRE 2410 requires us to conclude whether we have become aware of any matter that makes us believe that the half-year financial reports are not in accordance with the *Corporations Act 2001* including giving a true and fair view of the

Funds' financial positions as at 31 December 2021 and their performance for the half-year ended on that date, and complying with Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

A review of a half-year financial report consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Australian Auditing Standards and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

The logo for Deloitte Touche Tohmatsu, written in a cursive script.

DELOITTE TOUCHE TOHMATSU

A handwritten signature in black ink, appearing to read 'Adam Kuziow'.

Adam Kuziow
Partner
Chartered Accountants

Melbourne, 10 March 2022